

Navarro Oil Co., Tenery lease.
 Moss Oil Co., Tenery lease.
 Magnolia Pet. Corp., Rodden lease.
 Flanagan, Green lease.
 xNational Oil & Grease, Blackstone lease.
 F. & M., Moser lease.
 xArkansas Fuel Oil, all leases.
 xSinclair Oil & Gas Co., Moncrief lease.
 x*Smitherman & Greer, Jones lease.
 *Danciger Oil Co., Clemons lease.
 x*McMillan Pet. Corp., Fenton lease.
 xxCherokee Chief, Todd lease.

* Companies violating proration order prior to July 15.
 x Companies violating proration order who are protected by injunction.
 xx Companies violating proration order with no protection or authority.

Eleven other companies over-producing to protect their properties from drainage by companies who have injunctions.

R. W. RICHMOND,
 Chief Umpire.

SEVENTH DAY.

(Continued.)

(Thursday, July 23, 1931.)

The House met at 9 o'clock a. m., and was called to order by Speaker Minor.

IN COMMITTEE OF THE WHOLE HOUSE.

(Mr. Minor in the chair.)

The Committee of the Whole House met at 9 o'clock a. m. and was called to order by Speaker Minor, Chairman of the Committee.

IN THE HOUSE.

(Mr. Minor in the chair.)

At 9:05 o'clock a. m., Mr. Minor, Chairman of the Committee of the Whole House, reported to the House that the Committee desired to rise, report progress and ask leave of the House to sit again at 9:15 o'clock a. m. today.

MESSAGE FROM THE GOVERNOR.

Mr. Pat Dougherty, Secretary to the Governor, appeared at the bar of the House, and being duly announced, pre-

sented the following message from the Governor, which was read to the House, as follows:

Executive Office,
 July 22, 1931.

To the Senate and House of Representatives, Forty-second Legislature:

I beg to submit herewith what I deem a real emergency, and I beg of you to give it your prompt and earnest consideration.

The Highway Departments of Texas and Oklahoma have recently completed a free bridge across the Red River between Denison, Texas, and Durant, Oklahoma.

Before the beginning of the construction of this free bridge by the respective States it became necessary, on account of certain litigation, brought by the Red River Bridge Company, the owners of the toll bridge, for the Texas Highway Commission to make certain contracts with the bridge owners, whereby this litigation would be dismissed.

About the time of the completion of this free bridge by the respective States there arose a difference of opinion between the Texas Highway Commission and the bridge company as to the meaning or construction of the contract, which resulted in the bridge company filing a suit in the United States District Court at Houston, Texas, and obtaining an injunction against the Highway Commission of Texas and their employees, enjoining them from opening the free bridge on the Texas side and also commanding them to keep it closed until a settlement could be obtained upon said contract.

This injunction is still in force and it appears that this litigation will be long drawn out. Therefore, I feel that it would be to the best interest of the State of Texas that the Legislature pass a bill permitting the bridge company to sue the State of Texas. I am reliably informed that if this should be done the injunction will immediately be dismissed and the bridge be immediately opened for public use.

Respectfully submitted,

R. S. STERLING,
 Governor.

HOUSE BILLS ON FIRST READING.

The following House bills, introduced today, were laid before the House, read severally first time, and

referred to the appropriate committees, as follows:

By Mr. Olsen, Mr. Albritton, Mr. Westbrook, Mr. Cox of Limestone, Mr. Veatch, Mr. Hines, Mr. Forbes, Mr. Brice, Mr. Engelhard, Mr. Lee, Mr. Richardson, Mr. Donnell, Mr. Keller, Mr. Ray, Mr. Fuchs, Mr. Hoskins, Mr. Coltrin, Mr. Smith of Bastrop, Mr. Shelton, Mr. Dale and Mr. Rogers:

H. B. No. 13, A bill to be entitled "An Act providing for the conservation, preservation, and rehabilitation of the soils of this State, the elimination or prevention of root rot and other diseases by crop rotation, providing percentage of each farm in this State which may be planted to cotton or other soil-exhausting plants during the year 1932, thereafter prohibiting the planting of cotton or other soil-exhausting plants on land two years in succession, prescribing penalties and manner of prosecution, providing for co-operation of Governor and Commissioner of Agriculture with officers of other States of the Union, and the time and manner of taking effect hereof, and declaring an emergency."

Referred to Committee on Agriculture

By Mr. Donnell:

H. B. No. 14, A bill to be entitled "An Act amending Title 126, Article 7429 (7799) of the 1925 Revised Statutes of the State of Texas, so as to allow the formation of co-operative associations between persons, firms or associations of persons for the purpose of co-operative producing, processing, purchasing or selling mineral or other natural products from the ground, and agricultural products, or for purchasing and selling general merchandise."

Referred to Committee of the Whole House.

By Mr. Smith of Wood:

H. B. No. 15, A bill to be entitled "An Act to amend Section four (4) of Chapter 102, Special Laws, Regular Session of the Forty-second Legislature, which section defines the open season for killing squirrels in Wood county, fixing bag limit and penalties."

Referred to Committee on Game and Fisheries.

By Mr. West of Cameron:

H. B. No. 16, A bill to be entitled

"An Act for the purpose of conserving petroleum, one of the natural resources produced in this State, by providing that every person, firm, partnership, corporation, association, or any receiver thereof, shall pay to the State a graduated production tax on the daily production of each petroleum well in this State; that there shall be placed at every producing petroleum well a meter to measure the petroleum coming from the same; providing that pipe lines companies shall collect the tax levied under this bill at the time of receiving petroleum from the producer and shall remit the same to the Comptroller; providing how petroleum may be transported and the tax paid when transported, other than by a pipe line; providing for the collection of the tax thereon; providing that the Comptroller shall furnish all necessary blanks and forms for the carrying out the provisions of this act; providing for the creation of a department within the Comptroller's Department for the administration of this act; providing the necessary employees to administer such department; making an appropriation; providing for the allocation of the taxes collected hereunder; fixing the penalty for the violation of this act, and declaring an emergency."

Referred to Committee of the Whole House.

By Mr. Adamson, Mr. Van Zandt and Mr. Barron:

H. B. No. 17, A bill to be entitled "An Act granting permission to Red River Bridge Company of Texas, and J. R. Handy of Grayson county, Texas, receiver for the said Red River Bridge Company of Texas, to sue the State Highway Commission and the State of Texas, upon those two certain contracts purported entered into by and between members of the State Highway Commission and Red River Bridge Company of Texas, on or about the fifth day of July, 1930, limiting the time within which suit may be filed; fixing the venue of such suit; providing for the payment of any judgment which may be recovered against the Highway Commission or the State of Texas in said suit; providing for appeals; providing that injunction suit be dissolved, and declaring an emergency."

Referred to Committee on State Affairs.

INVITING SENATOR T. P. GORE TO ADDRESS THE LEGIS- LATURE.

On motion of Mr. McGregor the Hon. T. P. Gore, United States Senator, was invited to address a joint session of the House and Senate at 10 o'clock a. m. today.

In accordance with the above action the Speaker announced the appointment of the following committee to escort Senator Gore to the Speaker's stand:

Messrs. McGregor, Jones of Atascosa, Satterwhite, Gilbert and Justiss.

CONCERNING MEETINGS OF THE COMMITTEE OF THE WHOLE HOUSE.

Mr. Keller made the following motion:

Mr. Speaker: We move that the Committee of the Whole House be instructed to close its investigation of the oil industry on or before Saturday, July 25, 1931, at 4 o'clock p. m. in order that sufficient time may be had to properly consider oil legislation at this session and to avoid the possibility of a second called session.

Signed—Keller, Walker, Finn, Harrison of El Paso, Dowell, Warwick, Adams of Jasper, Johnson of Dimmit, Jones of Atascosa, Hubbard, Jones of Shelby, Wagstaff, Engelhard, Kennedy, Howsley, Ratliff, Ford, Sparkman, Johnson of Morris, Justiss, Murphy, Holloway, Rountree, Patterson, Grogan, Lilley, Munson, Dwyer, Hill, Boyd, Tarwater, Herzik, Jackson, Alsup, Bryant, Reader, Claunch, Forbes, Albritton, Olsen, Weinert, Sherrill, Caven, Holland, Gilbert, Burns of McCulloch, Richardson, Adamson, Lee, Davis, West of Cameron, Steward, Donnell, Elliott, Martin, Petsch, Holder, Sanders, Ramsey, Turner, Hines, Ferguson, Scott, Adkins, Hughes, Savage, Barron, Strong.

Mr. Veatch moved to table the motion.

Yeas and nays were demanded and the motion to table prevailed by the following vote:

Yeas—64.

Adamson.	Bond.
Adkins.	Bounds.
Akin.	Boyd.
Anderson.	Brice.
Baker.	Burns of Walker.
Beck.	Carpenter.
Bedford.	Coltrin.

Cox of Lamar.	Lockhart.
Cox of Limestone.	Long.
Cunningham.	McCombs.
Daniel.	McGregor.
DeWolfe.	Magee.
Dodd.	Metcalfe.
Dunlap.	Moffett.
Elliott.	Ray.
Farmer.	Rogers.
Farrar.	Satterwhite.
Fisher.	Scott.
Fuchs.	Shelton.
Giles.	Smith of Wood.
Goodman.	Sparkman.
Graves.	Stephens.
Hanson.	Sullivant.
Harman.	Terrell
Harrison	of Val Verde.
of Waller.	Towery.
Hefley.	Turner.
Holder.	Vaughan.
Hoskins.	Veatch.
Johnson	West of Coryell.
of Dallam.	Wiggs.
Laird.	Wyatt.
Lasseter.	Young.
Leonard.	

Nays—41.

Adams of Harris.	Johnson
Adams of Jasper.	of Dimmit.
Albritton.	Johnson of Morris.
Alsup.	Jones of Shelby.
Claunch.	Jones of Atascosa.
Davis.	Justiss.
Donnell.	Keller.
Dwyer.	Kennedy.
Engelhard.	Lee.
Ferguson.	Lilley.
Finn.	Morse.
Forbes.	Munson.
Ford.	Murphy.
Grogan.	Patterson.
Harrison	Petsch.
of El Paso.	Ratliff.
Herzik.	Richardson.
Hill.	Steward.
Holland.	Wagstaff.
Howsley.	Walker.
Hughes.	Weinert.
	West of Cameron.

Absent.

Barron.	Hubbard.
Brooks.	Jackson.
Bryant.	Martin.
Burns	Nicholson.
of McCulloch.	Olsen.
Caven.	O'Quinn.
Dale.	Ramsey.
Dowell.	Reader.
Gilbert.	Rountree.
Greathouse.	Sanders.
Hatchitt.	Savage.
Hines.	Sherrill.
Holloway.	Strong.

Tarwater.
Terrell
of Cherokee.

Van Zandt.
Warwick.

Absent—Excused.

Bradley.	Mathis.
Coombes.	Mehl.
Duvall.	Moore.
Hardy.	Pope.
Kayton.	Smith of Bastrop.
Lemens.	Stevenson.
McDougald.	Westbrook.
McGill.	

LEAVE OF ABSENCE GRANTED.

(By Unanimous Consent.)

Mr. Hubbard was granted leave of absence for today and the balance of the week on account of important business, on motion of Mr. Johnson of Dimmit.

MESSAGE FROM THE SENATE.

Senate Chamber,
Austin, Texas, July 23, 1931.

Hon. Fred H. Minor, Speaker of the House of Representatives.

Sir: I am directed by the Senate to inform the House that the Senate has passed

S. B. No. 8, A bill to be entitled "An Act amending House bill No. 1036 passed by the Regular Session of the Forty-second Legislature, Chapter 187, page 374, Acts of the Forty-second Legislature, prescribing the kind of tackle and method of taking fish in certain fresh waters in certain counties, and prohibiting all other tackle; prohibiting possession of any tackle not authorized by this act within two hundred yards of any fresh waters mentioned herein; exempting the waters of the Colorado and Rio Grande rivers from the provision of this act; prohibiting the sale, offering for sale or having in possession for the purpose of sale of certain species in said counties; provided a closed season for a period of time when it shall be unlawful to take fresh water fish; making it unlawful to possess certain species of fish of less length than specified in this act; prescribing a penalty; repealing all laws and parts of laws in conflict with this act, except House bill No. 610, Chapter 90, Acts of Regular Session, Forty-second Legislature, and declaring an emergency."

The Senate has adopted
S. C. R. No. 2, Petitioning the Inter-

state Commerce Commission not to allow the 15 per cent increase in freight rates and schedules.

Also accepted the invitation to be present to hear the speech by Senator T. P. Gore of Oklahoma.

Respectfully,
BOB BARKER,
Secretary of the Senate.

MESSAGE FROM THE SENATE.

Senate Chamber,
Austin, Texas, July 23, 1931.

Hon. Fred H. Minor, Speaker of the House of Representatives.

Sir: I am directed by the Senate to inform the House that the Senate has passed

S. B. No. 9, A bill to be entitled "An Act granting permission to Red River Bridge Company of Texas, and J. R. Handy of Grayson county, Texas, receiver for the said Red River Bridge Company of Texas, to sue the State Highway Commission and the State of Texas, upon those two certain contracts purported entered into by and between members of the State Highway Commission and Red River Bridge Company of Texas, on or about the fifth day of July, 1930; limiting the time within which suit may be filed; fixing the venue of such suit; providing for the payment of any judgment which may be recovered against the Highway Commission or the State of Texas in said suit; providing for appeals; providing that injunction suit be dissolved, and declaring an emergency."

Respectfully,
BOB BARKER,
Secretary of the Senate.

SENATE BILL ON FIRST READING.

The following Senate bill, received from the Senate today, was laid before the House, read first time, and referred to the appropriate committee, as follows:

Senate bill No. 8, to the Committee on Game and Fisheries.

PROVIDING FOR A MEETING OF THE GOVERNORS OF THE COTTON-PRODUCING STATES.

Mr. Moffett, by unanimous consent, offered the following resolution:

H. C. R. No. 4, Providing for meeting of the Governors of cotton-producing States.

Whereas, The price of cotton is now so low that the entire economic structure of the South is threatened with disruption, and that millions of our people are facing bankruptcy and ruin; and

Whereas, This condition has been brought about by an abnormal excess of production over consumption utterly beyond the control of any private agency; and

Whereas, The State of Texas, producing approximately a third of the American crop and at a cost considerably lower than the average of other States, should properly take the lead in any effort to remedy this deplorable condition; therefore, be it

Resolved by the House of Representatives of the Forty-second Legislature, the Senate concurring, That the Governor be requested to call a meeting of Governors of all cotton-producing States of the United States to be held at Austin at some date in the immediate future to be selected by him, for the purpose of determining what co-ordinated action, if any, should be taken by said cotton-producing States to meet the situation; and be it further

Resolved, That representatives of the Federal Farm Board, of the Cotton Textile Institute, Commissioners and Secretaries of Agriculture, and any other agencies or departments of government deemed desirable by the Governor be invited to attend said meeting in an advisory capacity.

Signed—Mr. Westbrook, Mr. Moffett, Mr. Magee, Mr. Engelhard, Mr. Fuchs, Mr. Shelton, Mr. Lee, Mr. Johnson of Dimmit, Mr. Ford, Mr. Olsen, Mr. Holder, Mr. Warwick, Mr. Weinert, Mr. Akin, Mr. Brice, Mr. Savage.

The resolution was read second time, and was adopted.

IN COMMITTEE OF THE WHOLE HOUSE.

(Mr. Minor in the chair.)

On motion of Mr. Hardy, the House, at 9:30 o'clock a. m., resolved itself into a Committee of the Whole House for the purpose of considering oil conservation matters.

IN THE HOUSE.

(Mr. Minor in the chair.)

At 10 o'clock a. m., Mr. Minor, Chairman of the Committee of the Whole House, reported to the House

that the Committee desired to rise, report progress and ask leave of the House to sit again at the conclusion of the address by Senator T. P. Gore.

ADDRESS BY SENATOR T. P. GORE.

In accordance with a motion heretofore adopted, inviting Senator T. P. Gore to address the Legislature, the Honorable Senate, at 10 o'clock a. m., appeared at the bar of the House, and being admitted, occupied seats prepared for them along the aisle.

Lieutenant Governor Edgar Witt occupied a seat on the Speaker's stand.

Senator Gore, accompanied by Messrs. McGregor, Jones of Atascosa, Satterwhite, Gilbert and Justiss, appeared at the bar of the House, and being admitted, was escorted to the Speaker's stand.

Speaker Minor presented the Hon. T. H. McGregor, who in turn introduced Senator Gore to the assemblage.

Senator Gore then addressed the assemblage.

BILL ORDERED NOT PRINTED.

On motion of Mr. Van Zandt, House bill No. 17 was ordered not printed.

HOUSE BILL NO. 17 ON SECOND READING.

Mr. Van Zandt moved that the constitutional rule requiring bills to be read on three several days be suspended, and that House bill No. 17 be placed on its second reading and passage to engrossment, and on its third reading and final passage.

The motion prevailed by the following vote:

Yeas—102.

Adams of Harris.	Carpenter.
Adams of Jasper.	Caven.
Adkins.	Claunch.
Akin.	Coltrin.
Albritton.	Cox of Lamar.
Alsup.	Cunningham.
Anderson.	Dale.
Baker.	Daniel.
Barron.	DeWolfe.
Beck.	Dodd.
Bounds.	Donnell.
Brice.	Dowell.
Bryant.	Elliott.
Burns of Walker.	Englehard.
Burns	Farmer.
of McCulloch.	Finn.

Fisher.	Munson.
Forbes.	Murphy.
Ford.	Nicholson.
Fuchs.	Patterson.
Giles.	Petsch.
Goodman.	Ramsey.
Grogan.	Ratliff.
Hanson.	Ray.
Hardy.	Richardson.
Harman.	Rogers.
Harrison	Rountree.
of El Paso.	Satterwhite.
Hatchitt.	Savage.
Herzik.	Scott.
Hill.	Shelton.
Hines.	Sherrill.
Holder.	Smith of Wood.
Holland.	Sparkman.
Holloway.	Stephens.
Howsley.	Stevenson.
Hughes.	Steward.
Johnson	Strong.
of Dimmit.	Sullivant.
Jones of Atascosa.	Tarwater.
Justiss.	Terrell
Kennedy.	of Val Verde.
Laird.	Towery.
Lee.	Turner.
Lilley.	Van Zandt.
Lockhart.	Vaughan.
Long.	Veatch.
McCombs.	Wagstaff.
McGregor.	Walker.
Magee.	Warwick.
Metcalfe.	Weinert.
Moffett.	West of Cameron.
Morse.	Wyatt.

Nays—1.

Brooks.

Present—Not Voting.

Greathouse.

Absent.

Adamson.	Johnson
Bedford.	of Dallam.
Boyd.	Johnson of Morris.
Cox of Limestone.	Jones of Shelby.
Davis.	Keller.
Dunlap.	Lasseter.
Dwyer.	Leonard.
Farrar.	Martin.
Ferguson.	Olsen.
Gilbert.	O'Quinn.
Graves.	Reader.
Harrison	Sanders.
of Waller.	Terrell
Hefley.	of Cherokee.
Hoskins.	West of Coryell.
Hubbard.	Wiggs.
Jackson.	Young.

Absent—Excused.

Bond.	Duvall.
Bradley.	Kayton.
Coombes.	Lemens.

McDougald.	Moore.
McGill.	Pope.
Mathis.	Smith of Bastrop.
Mehl.	Westbrook.

The Speaker then laid before the House on its second reading and passage to engrossment,

H. B. No. 17, A bill to be entitled "An Act granting permission to Red River Bridge Company of Texas, and J. R. Handy of Grayson county, Texas, receiver for the said Red River Bridge Company of Texas, to sue the State Highway Commission and the State of Texas, upon those two certain contracts purported entered into by and between members of the State Highway Commission and Red River Bridge Company of Texas, on or about the fifth day of July, 1930, limiting the time within which suit may be filed; fixing the venue of such suit; providing for the payment of any judgment which may be recovered against the Highway Commission or the State of Texas in said suit; providing for appeals; providing that injunction suit be dissolved, and declaring an emergency."

The Speaker laid the bill before the House, and it was read second time.

Mr. Van Zandt offered the following (committee) amendment to the bill:

Amend House bill No. 17 by adding to the end of Section 1 the following:

"And provided further, that no application for injunction shall be made to said court nor any order granting an injunction against the State, its officers or agents, shall be valid in connection with the consent herein granted."

The amendment was adopted.

Mr. Johnson of Dimmit offered the following amendment to the bill:

Amend House bill No. 17 by striking the following words out of Section 4 "from the time this act becomes effective," and insert in lieu thereof the following: "from the time this act is approved and/or filed with the Secretary of State by the Governor."

JOHNSON of Dimmit,
GRAVES.

The amendment was adopted.

Mr. Lockhart offered the following amendment to the bill:

Amend House bill No. 17 by adding Section 5 as follows:

"Section 5. Provided, that the State of Texas, the Highway Commission, or the Attorney General of the State of Texas shall have no power to compromise said suit or to pay out any sum of money by virtue of said suit until the courts of this State have held the contracts sued upon are valid and binding upon the State of Texas and the Highway Commission."

LOCKHART,
BARRON.

The amendment was adopted.

Mr. Graves offered the following amendment to the bill:

Amend House bill No. 17 by inserting after the words "Highway Commission of the State of Texas," on line 6, page 2, the words, "as such commission.

GRAVES,
JOHNSON of Dimmit.

The amendment was adopted.

By unanimous consent of the House the caption of the bill was ordered amended to conform to all changes made in the body of the bill.

House bill No. 17 was then passed to engrossment.

HOUSE BILL NO. 17 ON THIRD READING.

The Speaker then laid House bill No. 17 before the House on its third reading and final passage.

The bill was read third time, and was passed by the following vote:

Yeas—117.

Mr. Speaker.	Daniel.
Adams of Harris.	Davis.
Adams of Jasper.	DeWolfe.
Adamson.	Dodd.
Adkins.	Donnell.
Akin.	Dowell.
Albritton.	Dunlap.
Alsup.	Dwyer.
Anderson.	Elliott.
Baker.	Englehard.
Barron.	Farmer.
Bounds.	Farrar.
Boyd.	Finn.
Brice.	Fisher.
Brooks.	Forbes.
Bryant.	Ford.
Burns of Walker.	Fuchs.
Carpenter.	Giles.
Caven.	Goodman.
Claunch.	Graves.
Coltrin.	Greathouse.
Cox of Limestone.	Grogan.
Cunningham.	Hanson.
Dale.	Hardy.

Harman.	Murphy.
Harrison	Nicholson.
of El Paso.	Petsch.
Harrison	Ramsey.
of Waller.	Ratliff.
Hatchitt.	Ray.
Hefley.	Richardson.
Herzik.	Rogers.
Hill.	Rountree.
Hines.	Sanders.
Holder.	Satterwhite.
Holland.	Savage.
Holloway.	Shelton.
Hoskins.	Sherrill.
Howsley.	Smith of Wood.
Hughes.	Sparkman.
Johnson	Stephens.
of Dallam.	Stevenson.
Johnson	Steward.
of Dimmit.	Strong.
Jones of Shelby.	Sullivant.
Jones of Atascosa.	Tarwater.
Justiss.	Terrell
Keller.	of Val Verde.
Kennedy.	Towery.
Lasseter.	Turner.
Lee.	Van Zandt.
Lilley.	Vaughan.
Lockhart.	Veatch.
Long.	Wagstaff.
McCombs.	Walker.
McGregor.	Warwick.
Martin.	Weinert.
Metcalfe.	West of Coryell.
Moffett.	West of Cameron.
Morse.	Westbrook.
Munson.	Wyatt.

Nays—3.

Burns	Cox of Lamar.
of McCulloch.	Laird.

Present—Not Voting.

Wiggs.

Absent.

Beck.	Olsen.
Bedford.	O'Quinn.
Ferguson.	Patterson.
Gilbert.	Reader.
Hubbard.	Scott.
Jackson.	Terrell
Johnson of Morris.	of Cherokee.
Leonard.	Young.
Magee.	

Absent—Excused.

Bond.	McGill.
Bradley.	Mathis.
Coombes.	Mehl.
Duval.	Moore.
Kayton.	Pope.
Lemens.	Smith of Bastrop.
McDougald.	

RELATIVE TO AGRICULTURE AND LIVE STOCK COM- MODITIES.

Mr. Wiggs (by unanimous consent) offered the following resolution:

H. C. R. No. 5, Concerning the cost of the transportation of agricultural products.

Whereas, Agriculture and livestock raising are the basic industries in the State of Texas and have brought to the producers and workers in those industries a continuing series of losses during the past decade, due partly to other causes and partly to a combination of ever increasing freight tariff combined with great distances from ultimate market of the products of such industries, the costs of transportation of said products under said freight tariff schedules in many instances exceeding the market value of the agricultural, or livestock commodity at destination; and

Whereas, The agricultural and livestock industries of Texas and the Southwest cannot fully recover from the distressed condition in which they now are, in the absence of more favorable freight rates and tariffs for the commodities of such industries, and particularly is the condition at this time such as that a further increase in the freight tariff schedules on the products of the farms and ranches of Texas and the Southwest would be disastrous, and would in effect absolutely deprive the farmers and stock raisers of Texas and the Southwest of their market for their products; and

Whereas, During the past decade freight tariff schedules of the railroads of the nation and of Texas and the Southwest have been constantly appreciated or increased until at this time they are generally higher than ever before, and the market values of agricultural and livestock products, as well as every other commodity of trade in this country, have gradually depreciated or decreased until at this time they are at the lowest peak average in two decades, there being no response of freight rates and tariff schedules to the distressed market values of the commodity transported under said rates and schedules with the attendant result that such rates and schedules now are disproportionately high and are basically and economically excessive, and there being considered by the Interstate Commerce Commission of the United

States at this time a joint application of the principal railroad transportation systems of the United States, including those operating in Texas, for an increase in the rates permitted to be charged by them for commodities transported, which 15 per cent rate increase is not only not justified under present conditions, but would prove to be disastrous to the agricultural and livestock interests of this State; therefore, be it

Resolved by the House of Representatives of the State of Texas, the Senate concurring, That we do, by these presents, petition as the duly elected representatives of the people of Texas and for them petition the Interstate Commerce Commission not to allow the 15 per cent general increase in freight rates and schedules as applied for by the common carriers of the country, and that we do respectfully urge said, the Interstate Commerce Commission, seriously to study conditions with the view of bringing about substantial reductions in the cost of transportation of agricultural and livestock commodities and products, and resolve further that the Secretary of the Senate and the Chief Clerk of the House be, and they are hereby instructed and directed, each of them, to send a certified copy hereof to each of the members of the Interstate Commerce Commission.

Signed—Wiggs, Veatch, Stephens, Metcalfe, Donnell.

The resolution was read second time, and was adopted.

IN COMMITTEE OF THE WHOLE HOUSE.

(Mr. Minor in the chair.)

On motion of Mr. Hardy, the House, at 11:35 o'clock a. m., resolved itself into a Committee of the Whole House for the purpose of further investigating oil conservation matters.

On motion of Mr. Hardy, the Committee of the Whole House, at 5:30 o'clock p. m., agreed to stand at ease until 9 o'clock a. m. tomorrow.

APPENDIX.

STANDING COMMITTEE REPORT.

The Committee on State Affairs filed a favorable report on House bill No. 17.

1930

THE TEXAS CORPORATION AND SUBSIDIARY COMPANIES.

Name:	Where Incorporated.
The Texas Company.....	Delaware.
California Petroleum Corporation.....	Utah.
Ventura-Colorado Oil Company.....	Maine.
Texas Production Company	Colorado.
The Texas Company of Mexico, S. A.	Mexico.
Texaco Sociedad Anonima	Mexico.
Texas Petroleum Company	New Jersey.
The Texas Company of Canada, Limited.....	Canada.
The Texas Oil Company, Limited.....	England.
The Texas Company (of Ireland), Limited.....	Irish Free State.
The Texas Company, S. A. F.	France.
Societe Anonyme Des Huiles Galena.....	France.
The Texas Company, S. A. B.	Belgium.
N. V. The Texas Company.....	Holland.
The Texas Company, A. B.	Sweden.
The Texas Company (Overseas), Ltd.	Delaware.
The Texas Company, A. S.	Denmark.
The Texas Company, S. A. I.	Italy.
The Texas Company (South Africa), Ltd.	Union of South Africa.
The Texas Company (India), Ltd.	Delaware.
The Texas Company (Australasia), Ltd.	New South Wales.
The Texas Company (China), Ltd.	Delaware.
The Texas Company (Philippine Islands), Ltd.	Philippine Islands.
Galena-Signal Oil Company, Sociedad Anonima.....	Argentina.
Sociedade Anonyma de Oleo Galena-Signal.....	Brazil.
The Texas Company (South America), Ltd.	West Virginia.
The Texas Company (West Indies), Ltd.	Cuba.
The Texas Company (Caribbean), Ltd.	Delaware.
The Texas Company (Porto Rico), Inc.	Porto Rico.
The Texas Pipe Line Company.....	Texas.
The Texas Pipe Line Company of Oklahoma.....	Oklahoma.
International Refining Company (a)	Montana.
Mineral Investing Corporation	Delaware.
California Petroleum Corporation	Virginia.
The Texas Company	California.

Affiliated Companies.

California-Petroleum Corporation of Venezuela (b)	Delaware.
The Texas-Empire Pipe Line Company (b).....	Delaware.
Coltexo Corporation (c)	Maryland.

- (a) 56 per cent owned.
 (b) 50 per cent owned.
 (c) 49 per cent owned.

INCOME AND SURPLUS ACCOUNT.

	1928	1927	Inc. or Dec.
Gross operating earnings	\$196,234,235.22	\$141,125,857.60	x\$ 55,108,377.62
Operating Charges:			
Operating and general expenses	97,488,544.32	80,589,912.96	x 16,948,631.36
**Taxes	10,771,192.47	7,168,247.28	x 3,602,945.19
Intangible development costs	10,543,028.01	8,470,421.78	x 2,072,606.28
Depletion and lease amortization	8,115,057.09	7,553,474.80	x 561,582.29
Depreciation, retirements and other amorti- zation	25,528,614.47	21,189,642.66	x 4,338,971.81
	\$152,466,536.36	\$124,921,699.48	x\$ 27,524,736.88
Net operating income	\$ 43,787,798.86	\$ 16,204,158.12	x\$ 27,583,640.74
Non-operating income (net)	3,087,301.62	4,401,824.84	* 1,314,523.22
Income before interest charges	\$ 46,875,100.48	\$ 20,605,982.96	x\$ 26,269,117.52

Interest Charges:	Dec. 31, 1928	Dec. 31, 1927	Inc. or Dec.
Interest on funded and long term debt.....	1,243,339.29	89,163.71	x 1,154,175.58
Other interest	664,227.46	487,413.63	x 176,813.83
	\$ 1,907,566.75	\$ 576,577.34	x\$ 1,330,989.41
Profit for period	\$ 44,967,533.73	\$ 20,029,405.62	x\$ 24,938,128.11
Loss applicable to minority interests.....	106,436.00		x 106,346.00
Net profit accrued to corporation.....	\$ 45,073,879.73	\$ 20,029,405.62	x\$ 25,044,474.11
Earned surplus at end of previous year....	\$ 111,059,395.77	\$ 128,528,708.41	*\$ 17,469,312.64
xxDirect adjustments	578,737.17	87,022.49	* 665,759.66
Total	\$ 155,554,538.33	\$ 148,645,136.52	x\$ 6,909,401.81
Dividends Paid or Declared:			
Cash	\$ 24,306,712.34	\$ 21,180,915.75	x\$ 3,125,796.59
Stock		16,404,825.00	* 16,404,825.00
	\$ 24,306,712.34	\$ 37,585,740.75	*\$ 13,279,028.41
Earned surplus at end of year.....	\$ 131,247,825.99	\$ 111,059,395.77	*\$ 20,188,430.22

BALANCE SHEET.

Assets			
Current Assets:			
Cash	\$ 25,387,133.16	\$ 18,108,477.33	x\$ 7,278,655.83
Notes receivable	1,933,333.69	3,354,003.06	* 1,420,669.37
Accounts receivable	32,465,949.97	18,248,023.65	x 14,217,926.32
Inventories:			
Merchandise, crude and refined oils.....	116,073,738.65	89,557,738.22	x 26,516,000.43
Materials and supplies	6,669,261.27	5,738,016.85	x 931,244.42
Other current assets	65,472.12	134,309.71	* 68,837.59
	\$ 182,594,888.86	\$ 135,140,568.82	x\$ 47,454,320.04
Permanent Investments:			
Non-affiliated companies	2,590,463.21	673,000.00	x 1,917,463.21
Affiliated companies	3,610,433.82		x 3,610,433.82
Bond sinking fund	318,000.00		x 318,000.00
Fixed (Capital) Assets:			
Properties, Plant and Equipment:			
Lands, leases, wells and equipment.....	190,749,381.64	99,921,807.18	x 90,827,574.46
Oil pipe lines and tank farms	67,646,620.28	52,769,233.59	x 14,877,386.69
Refineries and terminals	105,283,032.16	82,893,427.81	x 22,389,604.35
Tank cars and other railroad equipment....	7,307,324.60	7,153,739.62	x 153,584.98
Ships and marine equipment	33,559,590.32	27,924,690.95	x 5,634,899.37
Sales stations, facilities and equipment....	66,174,143.35	54,298,756.68	x 11,875,386.67
Miscellaneous	2,453,670.28	1,921,760.47	x 531,909.81
	\$ 473,173,762.63	\$ 326,883,416.30	x\$ 146,290,346.33
Patents	217,253.45	224,619.19	* 7,365.74
	\$ 473,391,016.08	\$ 327,108,035.49	x\$ 146,282,980.59
Less reserves for depreciation, depletion and amortization.....	207,009,877.56	140,786,411.85	x 66,223,465.71
	\$ 266,381,138.52	\$ 186,321,623.64	x\$ 80,059,514.88
Prepaid and deferred charges	6,323,439.22	2,671,179.39	x 3,652,259.83
	\$ 461,818,363.63	\$ 324,806,371.85	x\$ 137,011,991.78
Liabilities.			
Current Liabilities:			
Notes payable	\$ 29,091,774.53	\$ 7,556,886.56	x\$ 21,534,887.97
Accounts payable	17,114,852.46	13,705,335.43	x 3,409,517.03
Accrued liabilities	9,727,536.44	3,265,592.08	x 6,461,944.36
Dividend payable January 1	6,332,533.50	5,414,364.75	x 918,168.75
	\$ 62,266,696.93	\$ 29,942,178.82	x\$ 32,324,518.11

xx Deductions. x Increase. * Decrease.

**Amounts shown do not include gasoline taxes, amounting in 1928 to \$22,134,411.00, and in 1927 to \$17,224,438.62.

	Dec. 31, 1928	Dec. 31, 1927	Inc. or Dec.
Funded and Long Term Debt:			
California Petroleum Corporation convertible sinking fund debentures.....	\$ 18,000,000.00	\$	x\$ 18,000,000.00
The Louisiana Land & Exploration Company mortgage bonds (assumed).....	1,800,000.00	.....	x 1,800,000.00
Purchase obligations	6,312,745.08	2,423,511.08	x 3,889,233.95
	<u>\$ 26,112,745.08</u>	<u>\$ 2,423,511.08</u>	<u>x\$ 23,689,233.95</u>
Deferred credits	\$ 2,293,613.83	\$ 900,211.18	x\$ 1,393,402.65
Capital and surplus of minority interest....	582,528.86	.....	x 582,528.86
Common capital stock (par value \$25).....	211,083,850.00	180,481,075.00	x 30,602,775.00
Received on stock subscription warrants....	1,215,165.69	.....	x 1,215,165.69
Surplus:			
Capital surplus paid in	27,015,937.80	.....	x 27,015,937.80
Earned surplus (unappropriated)	131,247,825.99	111,059,895.77	x 20,188,430.22
	<u>\$ 461,818,363.63</u>	<u>\$324,806,371.85</u>	<u>x\$137,011,991.00</u>

CONSOLIDATED BALANCE SHEET

THE TEXAS CORPORATION AND SUBSIDIARY COMPANIES.

Assets			
Current Assets:	Dec. 31, 1930	Dec. 31, 1929	Inc. or Dec.
Cash	\$ 27,883,706.59	\$ 27,926,201.65	*\$ 542,495.06
Marketable securities	21,906,971.96	49,727,694.59	* 27,820,722.63
Loans secured by marketable securities.....	14,091,274.57	.....	x 14,091,274.57
Notes receivable	6,070,138.84	2,290,517.82	x 3,779,621.52
Accounts receivable.....	30,176,686.53	48,029,800.67	* 17,853,114.14
Inventories:			
Merchandise, crude and refined oils	123,461,068.29	135,850,408.10	* 12,389,339.81
Materials and supplies	6,279,665.40	7,165,934.28	* 886,268.88
Other current assets	556,887.33	714,571.04	* 157,683.71
	<u>\$ 229,926,899.51</u>	<u>\$271,705,127.65</u>	<u>*\$ 41,778,228.14</u>
Permanent Investments:			
Non-affiliated companies	\$ 3,454,571.25	\$ 2,791,405.75	x\$ 663,165.50
Affiliated companies	11,896,619.19	10,648,151.81	x 1,248,467.38
	<u>\$ 15,351,190.44</u>	<u>\$ 13,439,557.56</u>	<u>x\$ 1,911,632.88</u>
Bond sinking fund	\$ 1,395,000.00	\$ 702,000.00	x\$ 693,000.00
Fixed (Capital) Assets:			
Properties, Plant and Equipment:			
Lands, leases, wells and equipment.....	\$ 197,276,491.51	\$194,876,391.62	x\$ 2,400,099.89
Oil pipe lines and tank farms	78,771,719.41	78,658,809.98	x 112,909.43
Current Assets—Continued:	Dec. 31, 1930	Dec. 31, 1929	Inc. or Dec.
Refineries and terminals	138,152,151.63	127,385,977.95	x 10,766,173.68
Tank cars and other railroad equipment	9,525,160.72	8,646,717.57	x 878,443.15
Ships and marine equipment	33,673,517.84	33,672,832.96	x 684.88
Sales stations, facilities and equipment.....	99,475,22.04	81,280,737.78	x 18,194,384.26
Miscellaneous	2,696,641.32	2,257,635.96	x 439,005.36
	<u>\$ 559,570,804.47</u>	<u>\$526,779,103.82</u>	<u>x\$ 32,791,700.65</u>
Patents	376,782.59	383,030.25	* 6,247.66
	<u>\$ 559,947,587.06</u>	<u>\$527,162,134.07</u>	<u>x\$ 32,785,452.99</u>
Less reserves for depreciation, depletion and amortization.....	235,345,944.46	215,842,035.16	x 20,003,909.30
	<u>\$ 324,601,642.60</u>	<u>\$311,320,098.91</u>	<u>x\$ 12,781,543.69</u>
Prepaid and deferred charges.....	\$ 10,623,113.35	\$ 12,186,300.28	*\$ 1,563,186.93
	<u>\$ 581,897,845.90</u>	<u>\$609,853,084.40</u>	<u>*\$ 27,955,738.50</u>

xx Deductions. x Increase. * Decrease.

Liabilities.

Current Liabilities:	Dec. 31, 1930	Dec. 31, 1929	Inc. or Dec.
Accounts payable	\$ 18,421,007.35	\$ 21,164,715.73	*\$ 2,743,708.38
Accrued liabilities	6,423,497.32	11,018,530.92	* 4,595,033.60
Dividend payable January 1	7,388,386.13	7,387,940.25	x 445.88
	\$ 32,232,890.80	\$ 59,571,186.90	*\$ 7,338,295.10
Funded and Long Term Debt:			
The Texas Corporation: 5 convertible sinking fund gold debentures, 1944	\$ 100,000,000.00	\$100,000,000.00	\$
California Petroleum Corp. 5½ convertible sinking fund gold debentures, 1938	9,600,000.00	10,200,000.00	* 600,000.00
5 convertible sinking fund gold debentures, 1939	6,400,000.00	6,800,000.00	* 400,000.00
The Louisiana Land & Exploration Company: Mortgage bonds (assumed)		1,135,000.00	* 1,135,000.00
Purchase obligations	2,929,101.75	5,281,763.13	* 2,352,661.38
	\$ 118,929,101.75	\$123,416,763.13	*\$ 4,487,661.38
Deferred credits	\$ 968,037.96	\$ 1,367,885.33	*\$ 399,847.37
Capital and surplus of minority interests	264,186.60	407,138.22	* 142,951.62
Common capital stock (par value \$25)	246,278,775.00	246,251,250.00	x 27,525.00
Surplus:			
Capital surplus paid in	\$ 48,146,616.80	\$ 48,127,885.60	x\$ 18,731.20
Earned surplus (unappropriated)	185,077,736.99	150,710,975.22	* 15,633,238.23
	\$ 183,224,353.79	\$198,838,860.82	*\$ 15,614,507.03
	\$ 581,897,345.90	\$609,853,084.40	*\$ 27,955,738.50

CONSOLIDATED INCOME AND SURPLUS ACCOUNT.

	1930	1929	Inc. or Dec.
Gross operating earnings	\$ 188,812,427.42	\$213,262,170.00	*\$ 24,449,742.58
Operating Charges:			
Operating and general expenses	118,819,895.38	111,011,368.86	x 7,808,526.52
**Taxes	7,671,592.37	11,194,797.36	* 3,523,204.99
Intangible development costs	8,725,553.97	12,275,388.04	* 3,549,834.07
Depletion and lease amortization	7,943,619.32	7,699,202.50	x 244,416.82
Depreciation, retirements and other amortization	27,259,433.67	24,259,015.37	x 3,000,418.30
	\$ 170,420,094.71	\$166,439,772.13	x\$ 3,980,322.58
Net operating income	\$ 18,392,332.71	\$ 46,822,397.87	*\$ 28,430,065.16
Non-operating income (net)	3,265,503.88	4,297,230.91	* 1,031,727.03
Income before interest charges	\$ 21,657,836.59	\$ 51,119,628.78	*\$ 29,461,792.19
Interest Charges:			
Interest on funded and long term debt	\$ 6,428,730.81	\$ 2,063,866.42	x\$ 4,364,864.39
Other interest	248,573.68	763,716.54	* 515,142.86
	\$ 6,677,304.49	\$ 2,827,582.96	x\$ 3,849,721.53
Profit for period	\$ 14,980,532.10	\$ 48,292,045.82	*\$ 33,311,513.72
Loss applicable to minority interests	92,771.07	26,026.40	x 66,744.68
Net profit accrued to Corporation	\$ 15,073,303.18	\$ 48,318,072.22	*\$ 33,244,769.04
Earned surplus at end of previous year	150,710,975.22	131,247,825.99	x 19,463,149.23
xxDirect adjustments	1,153,330.27	360,463.99	* 792,866.28
Total	\$ 164,630,948.13	\$179,205,434.22	*\$ 14,574,486.09
Dividends paid or declared	29,553,211.14	28,494,459.00	x 1,058,752.14
Earned surplus at end of year	\$ 135,077,736.99	\$150,710,975.22	*\$ 15,633,238.23

xx Deductions. x Increase. * Decrease.

** Amounts shown do not include gasoline taxes, amounting to \$37,120,013.00 in 1930, and \$30,002,644.16 in 1929.